

PRESS RELEASE
PRELIMINARY SALES FIGURES
FIRST HALF OF FINANCIAL YEAR 2014

Milan, August 6th, 2014

The **consolidated net revenues** of the Prada Group for the six months ended July 31, 2014 amount to Euro 1,750 million, a slight increase compared to the same period in 2013, +1% .

Performance in the six month period was conditioned by unfavorable exchange rate trends: at constant exchange rates, revenues grew by 4%.

Wholesale channel

Wholesale channel sales recovered in the second quarter and recorded an overall increase of 1%, +2% at constant exchange rates, to stand at Euro 288 million.

Retail channel by geographical area

In a market environment characterized by a general fall in consumption also the **retail** channel, representing more than 83% of total sales, has held up well, recording revenues of Euro 1,442 million with a 1% increase compared to the first half of 2013; at constant exchange rates, the 566 directly operated stores achieved revenue growth of 5%.

The trend differed somewhat from one geographical area to another:

- the **Asia Pacific** markets recorded overall revenue growth of 2% at constant exchange rates (2% decrease at current exchange rates) with performance remaining weak in Korea, Hong Kong and Singapore, while **China** accelerated in second quarter, achieving 12% growth at constant exchange rates, and the other Asian markets managed steady rates of growth;
- the positive trend in the **Americas** continues. The retail channel recorded 14% growth at constant exchange rates (+8% at current exchange rates) and was sustained by both domestic consumptions and a greater contribution from tourist spending;
- revenues have fallen slightly compared to the first half of 2013 in **Europe**, -1% both at constant and current exchange rates, with the market again penalized primarily by a fall in the volume of tourism and by the negative general economic environment which has hit domestic consumption;
- **Japan** again achieved another positive growth despite the expected slowdown in purchases

PRADA spa

after the VAT increase at the beginning of April: +19% at constant exchange rates and +10% at current exchange rates;

- the revenue trend in the **Middle East** was excellent with strong growth in the first half of the year of 21% at constant exchange rates and +16% at current exchange rates.

Retail channel by brand

Prada brand revenues increased by 5% at constant exchange rates while, at current exchange rates, there was growth of 1%.

The development for the **Miu Miu** brand continues: +7% at constant exchange rates and +3% at current exchange rates. Except in Europe, the brand continues to achieve high rates of growth on all markets.

Church's, +12% at constant exchange rates and +14% at current exchange rates, and **Car Shoe**, +3% at constant exchange rates and +2% at current exchange rates, also enjoyed positive revenue trends.

Retail channel by product category

Clothing and **footwear** performed extremely well with growth of 18% and 23%, respectively, at constant exchange rates (+14% and +19% at current exchange rates). Meanwhile, revenues from sales of **leather goods** decreased by 1% at constant exchange rates (-5% at current exchange rates) because of the fall in the number of tourists whose spending is more oriented towards this product category. The **Men's** segment again enjoyed double digit growth, in line with Group strategy which aims to develop sales of men's collections in all geographical areas.

Patrizio Bertelli, Chief Executive Officer of Prada Spa, commented: *"In the first six months of the 2014, the Group has operated in a more difficult political and macroeconomic environment than expected with unfavorable exchange rates and a general fall in consumption. Against this background, we have continued to focus our efforts on medium/long-term growth: our industrial, marketing and retail investments to sustain the quality of our products and our relationships with clients will continue to bear fruit, supporting the growth of the Group on all markets. In the coming months, our priority commitment shall be towards monitoring market trends and performance without, however, interrupting the implementation of our plans for growth. At the same time, we will implement a rigorous cost control program with the aim of protecting margins. Upon approval of the results for the first half of 2014, the Board of Directors shall – in light of the results achieved in the first half of the year and with a clearer view of the outlook for the months ahead – update its guidance for the year as a whole."*

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Full results for the first half of financial year 2014 will be announced upon approval by the Board of Directors at a meeting provisionally scheduled for September 19, 2014.

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PRADA Group

The PRADA Group –HKSE Code: 1913 – is one of the world leaders in the luxury goods sector where it operates with the Prada, Miu Miu, Church's and Car Shoe brands in the production and distribution of luxury handbags, leather goods, footwear, apparel and accessories. The Group also operates, under licensing agreements, in the eyewear, fragrance and mobile telephone sectors. Its products are sold in 70 countries worldwide through a network that included 566 directly operated stores (DOS) at July 31, 2014 and a select network of luxury department stores, independent retailers and franchise stores.